

PSC No: 120 - Electricity  
New York State Electric & Gas Corporation  
Initial Effective Date: November 1, 2017  
Issued in compliance with Order in Case Nos. 15-E-0751 and 15-E-0082, dated September 14, 2017.

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Revision: 1  
Superseding Revision: 0

#### GENERAL INFORMATION

#### 40. Value of Distributed Energy Resources ("VDER"): (Cont'd)

##### B. Value Stack:

##### 1. Eligibility:

a. Any customer, residential or non-residential, who owns or operates electric generating equipment ("Facility"), as defined in Public Service Law ("PSL") §66-j or PSL§66-l, limited in size in conformance with the statute for each facility type and customer type that generates electric energy. A customer may include energy storage equipment when submitting an application for net metering pursuant to this Rule.

To comply with the 2 MW generation capacity limit applicable to solar generating equipment, each solar array of not more than 2 MW shall be:

- a. Separately metered and interconnected to the Company's distribution system;
- b. Located on a separate parcel; and
- c. Independently operated from any other project.

b. A customer taking service pursuant to Rule Nos. 22, 23, 26, 27, 29, 30, or 31 may opt to take service under this Rule. Such election shall be a one-time election and shall be irrevocable.

c. A customer taking service pursuant to this Rule shall be required to install metering equipment capable of recording hourly net consumption and net injections.

##### 2. Applicable To:

The Value Stack shall be applicable to a customer interconnecting a Facility that is:

- (a) not eligible for Grandfathered Net Metering as set forth in the Remote Net Metering provisions of Rule Nos. 22, 23, 27 or 31; or
- (b) is not eligible for Phase One NEM as set forth in Rule 40.A; or
- (c) has made a one-time irrevocable election to opt-in to the Value Stack

##### 3. Definitions:

- a. "Mass Market Customer" means a customer billed pursuant to a residential service classification or a small commercial customer that is not billed based on demand and whose electric generating equipment supplies energy to a single account behind the same meter as the generating equipment.
- b. "Net injection" or "Net hourly injection" is the amount of excess energy produced by a customer's electric generating equipment beyond the customer's usage that is fed back to the Company's system for a customer served under the Value Stack Tariff.

##### 4. Compensation:

The Company shall calculate the credit by multiplying the Value Stack Components, as applicable, by the net export net hourly injections to determine the total value of the credit. The credit values shall be set forth on the VDER-Cred Statement and filed on not less than one days' notice.

##### 5. Cost Recovery:

The Company shall recover the costs for the credits paid to customers for each of the Value Stack Components pursuant to Rule 25.B.1, Transition Charge (Non-Bypassable Charge or ["NBC"]) and the Supply Adjustment Charge pursuant to Rule 25.C. Commodity Charge. The cost values shall be set forth on the VDER CR Statement and filed on not less than one days' notice.

##### 6. The Value Stack Components:

##### i. Value Stack Energy Component

The compensation for energy under this provision shall be calculated based on the Facility's hourly metered net generation and the hourly energy price. The hourly energy price is the New York Independent System Operator (NYISO) Day-Ahead Market (DAM) Location Based Marginal Price (LBMP) for the Zone in which the Facility is electrically connected, adjusted for system losses. The DAM LBMP prices shall be the initial published DAM LBMP prices acquired by the Company. The credit for the Facility shall not be recalculated if such prices are modified by the NYISO at a later date.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York